THE MAGNET

ENCOMPASS Newsletter

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Project Update
Conference Room Pilot

The ENCOMPASS team has been heavily involved in the Conference Room Pilot (CRP) over the past few weeks. Conference Room Pilots are used in software procurement and testing to provide a high level view of the proposed system. The CRP allowed the Core Team to determine how well the PeopleSoft application meets the business needs of the State. In addition, the CRP acquainted the Core Team with the features and functions of the ENCOMPASS system.

During the CRP sessions, the Core Team was able to view each of the following modules at a high level: Accounts Payable, Asset Management, eProcurement, Accounts Receivable, General Ledger, Purchasing and Commitment Control. These sessions provided the Core Team with examples of how the application processes work that is done on a daily basis.

The ENCOMPASS project is in the midst of the design phase for the PeopleSoft application. The ENCOMPASS team is still developing a revised approach to grant and construction accounting using the Project Module. The Project Module Work Group, comprised of core team agencies and state agencies, is working to:

- Provide feedback on the approach;
- Discuss potential issues and, as a group, help identify standard solutions; and
- Finalize the system configuration.

The agencies involved are AoS, ISDH, DWD, DNR, FSSA, GMIS, ICJI, IDEM, INDOT, SBA and SBOA.

During the next few months, the ENCOMPASS team will test the functionality of the system. The next phase of the project includes building applications, interfaces, reports and conducting system wide test. In the coming months, the team will provide opportunities for agency staff to see a demo of system changes.

The final ENCOMPASS system is scheduled for deployment in January 2008.

PeopleSoft v.8.9 Upgrade
Upgrade Schedule and New Functionality

The upgrade to version 8.9 is scheduled to take place **April 11-15**. There are several steps in the process:

Wednesday, April 11, 4:00pm: GMIS will begin to restrict use of the system. All transactions should be completed before this time.

Friday, April 13 to Sunday, April 15: Upgrade to 8.9 version takes place.

Monday, April 16, (morning to mid-afternoon): GMIS will validate the 8.9 upgrade and confirm that system activities are running correctly.

Monday, April 16, (late afternoon): PeopleSoft 8.9 will be available to users.

Here are just a few of the improvements you will see with PeopleSoft 8.9:

Budget checking is faster and more resilient! Entries with multiple lines that in the past might have stopped the system due to one error will now report the erroneous entry AND process the remaining entries.

Batch processes will work in the background, allowing you to enter additional vouchers. Previously, users had to wait for a voucher to complete its process prior to starting the next voucher.

GMIS Walkthroughs

GMIS has completed 8 "walkthrough" presentations that included information about changes that users will see in the 8.9 version of PeopleSoft. Over 270 people representing 51 State agencies attended these presentations.

If you have not attended a session and you are still interested, there are sessions scheduled through the end of April.

Upcoming walkthrough session:
•Friday, April 13, 9:00-10:30am, Conference Room 19

To enroll in a session, please contact the ENCOMPASS project team via e-mail at encompass@sba.in.gov.

Maximizing your ENCOMPASS Implementation
Part II

In Part I of this series we introduced the idea of using a six-stage continuum approach as a basis for measuring readiness for ENCOMPASS. This series is designed to present you with strategies for helping your team advance along the continuum. The six stages are represented in the table below.

ENCOMPASS Six-Stages of Change Continuum

1. AWARENESS	2. GENERAL UNDERSTANDING	3. PERSONAL UNDERSTANDING	4. ACCEPTANCE	5. ADOPTION	6. OWNERSHIP

Awareness, General Understanding, and Personal Understanding are *learning stages*. Each one is progressive and contingent on acquiring more knowledge. Consider plotting yourself and your staff members along this continuum.

To advance through the Awareness, General Understanding, and Personal Understanding stages, identify what knowledge is needed for each stage. Ways to determine what knowledge is important to you and your agency:

- Stay in contact with your ENCOMPASS Organizational Change Management (OCM) team member to keep current on the latest information from the ENCOMPASS project team.
- Review PeopleSoft training course materials offered by GMIS.
- Attend meetings and presentations associated with ENCOMPASS.
- Keep updated on ENCOMPASS by checking the ENCOMPASS website regularly for new material.
- Share information with your staff and include them in meetings and presentations when possible.
- Track each of your employees' level of training and skill in using the current PeopleSoft system. Set individual goals for employees relative to training and skill levels to ensure a consistent, basic level of proficiency.

The final three stages – Acceptance, Adoption and Ownership – are *"buy-in" stages*.

To reach these stages, an individual must believe in the legitimacy of the ENCOMPASS system. These stages are more challenging to reach, as it requires surfacing and addressing issues or reservations. However, the effort is worth the reward as the staff adopts the system as their own and takes responsibility for success.

Reaching the Acceptance stage can be the most challenging. Feelings of skepticism, opposition, fear, and general negativity are normal in a changing environment. Managers are essential to overcoming these issues by sharing knowledge and openly addressing staff concerns. Help your employees reach Acceptance by:

- Identifying and understanding the benefits that are expected from ENCOMPASS.
- As information becomes available, developing an agency-specific list of work changes anticipated when the Auditor of State (AOS) comes online with ENCOMPASS.
- Including your staff in the change process. Consider their inputs in any changes that are to be made.

Next Month: Overcoming Resistance to reach the Adoption and Ownership Stages

Focus on Internal Control
Part 4 – Control Activities

After the *risk assessment* process is completed and significant risks are analyzed, control activities must be put into place to reduce the risks to a minimum level. These activities are the policies and procedures that help ensure management directives are carried out. They include diverse activities throughout the organization, such as approvals, authorizations, verifications, reconciliations, performance reviews, security of assets and segregation of duties. Again, they can be divided into the three categories – *operations, financial reporting and compliance* – but controls often overlap the categories.

Controls activities should be designed to address the risks assessed in the risk assessment. They are not enforced simply because it's the "right or proper" thing to do, but serve as mechanisms to achieve an objective.

The following examples illustrate the range and variety of control activities. Keeping in mind the three categories -- *operations, financial reporting and compliance* – see if you can identify how these activities fit into the three categories. Remember, some activities will apply to more than one category.

- Top level reviews – reviews of actual performance vs. budgets, forecasts, prior periods, etc.; tracking major initiatives such as improved processes or cost containment.

- Direct functional or activity management – management reviews various reports, checking efficiency measures and compliance issues.

- Information processing – data entered subject to edit checks and matching to approved control files; numerical sequences accounted for; totals reconciled; exceptions acted upon or reported.

- Physical controls – equipment, inventories, securities, cash and other assets secured physically; counted and compared periodically with amounts on control records

- Performance indicators – relating difference sets of data – operating or financial – to one another; analyzed and investigated; helps to identify whether activity objectives are being achieved.

- Segregation of duties – certain related duties are divided among different people to reduce risk of error or inappropriate actions.

One goal of the ENCOMPASS team is to assure that those control activities that can be included in the system will be working effectively. Our technical partners are diligently working to adapt the system to our needs and requirements.

If inadequate general controls, application controls may not work. Both are needed to ensure complete and accurate information processing. The *environment* in which an entity operates affects the risks to which it is exposed. *Control activities* should be customized to the entity and should address the risks to which it is exposed.

PeopleSoft User Group
Agency Representatives Meeting

Did you know that there is a State of Indiana PeopleSoft Financials Users Group? The purpose of the group is to identify and address issues that are impacting staff across agencies, and to help improve the system through information sharing, process changes, and/or system change recommendations.

Your agency should already have representation on the User Group. To learn more about the User Group or to find out who your agency representatives are, please contact the group's Communications Liaison, Kerry Nicholas, at knicholas@portsofindiana.com.

Frequently Asked Questions
Visit Our Website For A Complete List

Question:	Answers:
Will ENCOMPASS replace the Alchemy system?	No. The current plan is to continue to use Alchemy as the main report repository for ENCOMPASS. Certain reports will be redesigned to reflect the new Chart of Accounts.
Will our agency keep the same business unit codes when we start using the new chart of accounts?	Yes ! You will keep the same set of business unit codes in the new chartfields. Currently, business unit numbers are not expected to change.
Will appropriations and allotment ledgers be eliminated?	No. Budget control will still be established at the appropriation and allotment level. The ledgers known as "APPROP "and "ALLOT" will still be in use as well as "ORG " and "PROJ" ledgers.

Need Information? Have Questions?

The ENCOMPASS website no longer requires a login and password. Please visit it at anytime to get announcements and updated information. If a login screen does appear, enter your network ID and password.
ENCOMPASS Website Address: **http://myshare.in.gov/sba/encompass**

Please email us at:
encompass@sba.in.gov

If you have technical issues submit them to GMIS at
http://extranet.in.gov/gmis/issue_entry/base/issue_entry.asp